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SAUDI ARABIA AND THE PLO

On the basis of the Rabat Conference decision, all Arab states recognize the PLO as the sole representative of the Palestinian people.

-- Saudi Arabia, like all Arab states and some non-Arab ones, provides financial support to the Palestinian movement.

-- Saudi Government financial assistance to the PLO approximated $30 million in 1977.

-- Saudi Arabia through the years has used its influence with the Palestinians to strengthen the hands of the so-called moderates or pragmatists. The Saudis have argued persistently over the years that the Palestinians should reject the use of international terrorism as a policy instrument and should, instead, seek their objectives through political means, including negotiations.

-- The Saudis were in the forefront of Arab governments seeking in 1977 to persuade the PLO leadership to accept Security Council Resolution 242 and to declare the PLO's willingness to accept the right of Israel to live at peace in the Middle East with its neighbors.

-- The Saudis were the primary force behind the inter-Arab agreement that brought the civil conflict in Lebanon to an end in late 1976. This occurred when the Saudis, after lengthy preparations, convened a mini-summit in

Riyadh, attended by leaders from Egypt, Syria, Kuwait, Lebanon and Saudi Arabia. In addition to reconciling Egypt and Syria, this mini-summit took the first-ever Arab step of publicly condemning the Palestinians for challenging the legitimate government of Lebanon and making clear that such a challenge would never again be tolerated. This public criticism of the Palestinians and the PLO, later endorsed by a full summit at Cairo, brought the political fortunes of the PLO to the lowest point of its existence in the Middle East, from which they have never recovered fully.

-- The United States has asked the Saudis from time to time to use their influence with the PLO (e.g., in ensuring there was no Palestinian interference with the evacuation of Americans from Lebanon in 1976, and in ensuring Palestinian respect for a series of Lebanese cease-fires in 1976, 1977, etc.) and the Saudis have been most helpful on those occasions.

Terrorism

-- The Saudi Government has informed us it would be contrary to Saudi policy to provide support for any kind of terrorism.

-- In fact, Saudi Arabia has itself been a target of Palestinian terrorism, e.g., the kidnapping of Minister Yamani and other OPEC representatives in Vienna in 1975 and attacks on Saudi Embassies in Paris and Khartoum.

-- Following the March 11 terrorist attach north of Tel Aviv, the Saudi Government publicly condemned terrorism in all its forms noting that those who commit terrorism on innocent people inevitably draw counter-terrorism on other innocent people.

NEA/ARRP:JRCountryman/JWTwinam

Clearances: NEA:WRCrawford
NEA/RA:HPrecht
H:BAtwood
T:LBrown

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وزارة الخارجية
سفارة المملكة العربية السعودية في واشنطن
ROYAL EMBASSY OF SAUDI ARABIA
WASHINGTON, D.C. 20036

March 14, 1978

An official spokesman of the Government of Saudi Arabia in Riyadh issued the following statement:

"Saudi Arabia condemns terrorism in all its forms. Those who have committed it on innocent people inevitably draw counter-terrorism on other innocent people. Consequently, and in pursuing the objective of an equitable and honorable peace in the Middle East, the Saudi Arabian Government has supported, and will continue to support the positive actions of the Government of the United States leading to a swift and just settlement for all parties concerned."

March 13, 1978

Questions Taken at Noon Briefing, March 13, 1978

SAUDI ARABIA AND THE PLO

Q. Is Saudi Arabia providing financial assistance to the PLO or just providing assistance to the refugees? How do we know where Saudi money is going?

A. The Saudi Government has informed us that its financial assistance to the PLO is for the refugees and that it would be contrary to Saudi policy to provide support of any kind for terrorism.

Q. Have we ever talked to the Saudis about their support for the Palestinians?

A. Yes, on a number of occasions over the years including quite recently.

NEA/P:GSherman:seb

Cleared:
NEA:ALAtherton

Q: What is the current status of the investigation into the Israeli allegation that some of the weapons and munitions used by the Palestinians in their raid on Israel and captured in southern Lebanon were American and probably provided by the Saudis?

A: The Pentagon's investigation into this matter is now virtually complete.

I will discuss the result of our findings concerning each of the items on the list.

-- First, one M-16 assault rifle. No M-16 rifles have been sold to Saudi Arabia under foreign military sales, and only two, in 1973 on a commercial basis. What the Israelis identified as a Royal Saudi Armed Forces emblem on the weapon, we have identified on the basis of a written description as the emblem of the Lebanese Army.

-- One M-203 40mm grenade launcher for the captured M-16. We have no records for the stock number of this launcher.

-- One "LAW" expendable anti-tank rocket. The lots cited by the Israelis were not sold to Saudi Arabia, but to Lebanon and Australia.

-- 40mm M-406 launcher grenades. The lot numbers provided us by the Israelis do not correspond to any lot numbers used for these munitions.

-- M-112 demolition bricks and M-67 grenades. In August 1976 the Israelis captured two Palestinian terrorists in possession of seven grenades and 23

demolition bricks of U.S. origin. Through lot numbers provided to us by the Israelis we traced these munitions to a shipment made to Saudi Arabia. Additional demolition bricks and grenades from this lot were also captured from the Palestinians last month. When we brought this original case to the Saudis' attention they replied they had transferred these items to the Lebanese Army prior to the outbreak of civil strife at a time when the United States Government had expressed to the Saudi Government its concern over the perilous state of the Lebanese security forces and had discussed what might be done to improve the situation. The Saudis concluded that following the disintegration of the Lebanese Army the munitions found their way into the hands of Palestinian terrorists or were actually stolen by them. During these discussions we reiterated the requirement for our express written U.S. consent to such transfers and the Saudis reaffirmed to us orally and in a formal letter from Defense Minister Prince Sultan, their intention to adhere strictly to U.S. regulations governing military sales particularly provisions governing transfer to third parties.

Because of the circumstances surrounding the Saudi transfer to Lebanon, and the character and small amount of the equipment involved, no question of a substantial violation of the terms of the sale was presented and no further action was required beyond the Saudi assurances

noted above. The transfer occurred prior to June 30, 1976, the date the non-transfer provisions of the Arms Export Control Act came into effect.